

FISCAL NOTE

SB 916 - HB 996

March 9, 1999

SUMMARY OF BILL: Creates a Local Government Catastrophic Events Fund to be administered by the State Treasurer for damages arising out of a catastrophic occurrence which exceed liability limits under the Governmental Tort Liability Act. The amount of the fees and charges to initially be assessed against fund participants, as well as all increases and decreases, shall be determined by a study conducted by the State Treasurer's actuarial consultant.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

Increase State Revenues - Exceeds \$100,000

Increase Local Govt. Expenditures* - Exceeds \$100,000

Other Fiscal Impact - The amount of increased cost to local governments to obtain coverage for liability exceeding limits established under current law will depend on the scope of coverage to be provided through the pool as determined by the State Treasurer.

Estimate assumes:

- an increase in expenditures in the State Treasurer's office to administer the fund.
- an increase in state revenues, which assumes administrative costs of the fund will be paid from contributions to the fund.
- an increase in local government expenditures for fees required to reimburse costs of administering the fund.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

SB 916 - HB 996